



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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J. TYLER McCAULEY  
AUDITOR-CONTROLLER

September 29, 2004

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **MEXICAN AMERICAN OPPORTUNITY FOUNDATION CONTRACT  
REVIEW**

We have completed a contract compliance review of Mexican American Opportunity Foundation (MAOF), a CalWORKs Stage 1 Child Care service contractor. The review was conducted as part of the Auditor-Controller's Centralized Contract Monitoring Pilot Project.

**Background**

The Department of Public Social Services (DPSS) contracts with MAOF, a private, non-profit, community-based organization that assists parents with childcare services. MAOF's services include explaining participant's childcare options and program rights, providing multilingual services to the participants upon request, consumer education information, and childcare referrals. In addition, MAOF conducts monthly monitoring of its staff located at DPSS offices. MAOF is located in the First District.

DPSS pays MAOF a negotiated rate of \$126 per case per month. DPSS also pays MAOF a fixed monthly fee of approximately \$12,000 to fund MAOF's staff located at DPSS field offices and approximately \$10,000 for nine-months for outreach services. For Fiscal Year 2003-04, DPSS paid MAOF approximately \$2.1 million for administrative and operational expenses.

*"To Enrich Lives Through Effective and Caring Service"*

**Purpose/Methodology**

The purpose of the review was to determine whether MAOF provided the services outlined in their Program Statement and County contract. We also evaluated MAOF's ability to achieve planned services and staffing levels. Our monitoring visit included a review of MAOF's billing statements, participant case files, staff time sheets, and interviews with MAOF's staff, program participants, and service providers.

**Results of Review**

Generally, MAOF provided the services required by the County contract using the appropriate number of staff. MAOF explained childcare options, program rights, and consumer information to the program participants. In addition, MAOF provided multilingual services to the participants that requested the services.

However, for 1 (5%) of the 20 case files reviewed, MAOF billed DPSS for daycare referrals that the program participant did not receive. MAOF generated a daycare referral for the participant and submitted the referral to the billing unit to bill DPSS. However, the participant did not receive the referral. MAOF stated that the over billing was an error and would repay DPSS the \$126 over billed.

The details of our contract compliance review, along with recommendations for corrective action, are attached.

**Review of Report**

On August 9, 2004, we discussed our report with MAOF. In their attached response, MAOF concurred with our findings and reported that they repaid the over billed amount of \$126.00. In addition, we notified DPSS of the results of our review.

We thank MAOF for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Department of Public Social Services  
Bryce Yokomizo, Director  
Ida L. Rivera, Chief, Contract Management Division  
Shirley Christensen, Chief, Gain Program Division  
Martin Castro, President & Chief Executive Officer, Mexican American Opportunity Foundation  
Violet Varona-Lukens, Executive Officer  
Public Information Office  
Audit Committee

**CENTRALIZED CONTRACT MONITORING PILOT PROJECT  
CalWORKs STAGE 1 CHILDCARE PROGRAM  
FISCAL YEAR 2003-2004  
MEXICAN AMERICAN OPPORTUNITY FOUNDATION**

**BILLED SERVICES/CLIENT VERIFICATION**

**Objective**

Determine whether Mexican American Opportunity Foundation (MAOF) provided the services billed in accordance with their contract and the program participants actually received those services.

**Verification**

We reviewed 20 program participants case files assigned to MAOF during January and February 2004. We also interviewed 45 program participants and 45 daycare providers. Our sample represents \$5,674 out of a total of \$320,714 that MAOF billed DPSS for the same period.

**Results**

MAOF provided the appropriate services required by the contract. MAOF provided multilingual services to participants that requested the services and each program participant received consumer education information. In addition, all 20 participants were eligible to receive program services. The participants stated that the services met their expectations and that MAOF provided effective program orientation. The 45 service providers also stated that MAOF authorized childcare payments and paid them timely.

However, for 1 (5%) of the 20 case files reviewed, MAOF billed DPSS for daycare referrals that the program participant did not receive. MAOF's service unit generated a daycare referral for a participant and submitted a copy of the referral to the billing unit to bill DPSS. However, the participant did not receive the referral and the billing unit was not notified to cancel the billing to DPSS. MAOF stated that the over billing was an error and would repay DPSS the \$126 over billed.

**Recommendations**

**MAOF management:**

- 1. Charge DPSS only for services provided.**
- 2. Repay DPSS for the amount over billed.**

## **STAFFING/CASELOAD LEVELS**

### **Objective**

Determine whether MAOF actual staffing levels did not significantly vary from planned staffing levels.

### **Verification**

We interviewed 30 in-house program staff and three program staff and one supervisor assigned to DPSS field offices and reviewed time sheets to determine whether actual staffing levels were consistent with proposed staffing levels.

### **Results**

MAOF's actual in-house staffing levels were 10% below the planned staffing levels of 31.3 FTEs and staffing levels of staff assigned to DPSS field offices were 30% below the planned staffing levels of 3.3 FTEs. However, as noted below, the decrease in staffing is due to a decrease in caseload.

### **Recommendations**

There are no recommendations for this section.

## **SERVICE LEVELS**

### **Objectives**

Determine whether MAOF reported service levels did not significantly vary from planned service levels.

### **Verification**

We reviewed invoices for January and February 2004, and compared to MAOF proposed service levels for the same period.

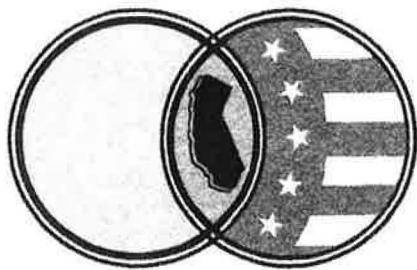
### **Results**

For January and February 2004, MAOF's reported service levels averaged approximately 1,046 participant cases. This represents a decrease of approximately 10% from the budgeted service levels of 1,148 participant cases. The decrease is due to a reduction in the number of cases referred to the contractor by DPSS.

### **Recommendations**

There are no recommendations for this section.

**MEXICAN**



**AMERICAN OPPORTUNITY FOUNDATION**

401 North Garfield Avenue • Montebello, CA 90640 • (323) 890-9600

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1963 - 2004*

August 10, 2004

J. Tyler McCauley  
Los Angeles County Auditor-Controller  
500 W Temple, Room 525  
Los Angeles, CA 90012

Dear Mr. McCauley:

**Contract Review Response**

We have reviewed the report issued by your Department and are in general agreement with the findings and recommendations. We have implemented the recommendations made in the report and have rectified the over billing to the Department of Public Social Services. We adjusted our Monthly Invoice in May 2004 and deducted the over billed amount of \$126.00.

Please call me if you have any questions at (323) 278-3687.

Sincerely,

Vicky Santos  
Child Care Director of Operations, MAOF